Settlement Commission (Income Tax and Wealth Tax), New Delhi, but time for such payment of tax was extended by the Chairman, One Member, or by the Secretary, of the Commission;

(c) if so, the year-wise number of such applications received during 1991-92, and 1993 in the Principal Bench of the Commission and number of those on which extension of time was ganted by the Secretary, the Chairman, and one Member, separately;

(d) whether such extensions without placing the same before the Commision are violative of Income Tax Act, 1961; and

(e) if so, action Government propose to take against such personnels of the Commission for such violations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir

(b) to (d) The present Chairman and Members are following the practice of discussing each request and giving a hearing if considered necessary. As regards past cases scrutiny of all old case files is necessary to collect the information sought. The time and effort spent on this will not be commensurate with the purpose.

(e) In view of the present practice, no action is necessary in the matter.

Recoveries of Income Tax

2665. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state:

(a) whether under the provision of sub-section (2D) of section 245D of the Income Tax Act, 1961,—where additional amount of income tax disclosed in application is not paid by assessee within the period of 35 days or extended period as the case may be, the Settlement Commission may direct that the amount of income tax remaining unpaid, togethher with interest payable thereon, be recovered and any penalty for default in making payment of such amount may be imposed and recovered in accordance with the provisions of Chapter-XVII;

(b) whether a majority of the assessees are being protected from recoveries in accordance with the provisions of Chapter-XVII due to non-availability of any limit on the period for which the extension can be granted and for how many times such extensions can be granted;

(c) if so, the reasons for non-availability of said limits in the Act; and

(d) if the answer to part (b) above be in negative, the year-wise details of such occasions when Settlement Commission (Income Tax and Wealth Tax), New Delhi, ordered for recoveries in accordance with the provisions of Chapter-XVII, alongwith the details about the amount of additional tax, interest involved and amount of penalty in each case during 1991, 1992 and 1993?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) The requests for extension of time limit are received in a limited number of cases and the Commission grants them only in cases where there is good and sufficient reason and the tax-payer furnishes adequate security. In the interest of justice, it will not be proper to put any limitation on the powers of the Commission, in this regard.

(d) The Commission normally exercises its powers under Chapter XIX-A of the Income Tax Act, 1961 for recovery of taxes in respect of cases admitted by it.

Interest on Income Tax paid after the date

2666. SHRI GOVINDRAO ADIK: Will the Minister of FINANCE be pleased to state: ..

(a) whether sub-section (2C) of section 245D of the income Tax Act, 1961 where the additional amount of income tax is not paid within the stipulated period of 35 days and the settlement commission has extended the time for payment the aomunt which remains unpaid or has allowed payment thereof in instalments under sub-section (2B), the assessee shall be liable to pay simple interest at 15 per cent per annum on the amount remaining unpaid from the date of expiry of the stipulated period;

(b) what is the amount of such interest earned by Government in each of the years during 1991, 1992 and 1993, alongwith the name of assessee from whom it has been earned alongwith the amount of additional tax involved in each cases;

(c) what are the reasons due to which no maximum limit for the period of extension has been fixed by Government in the Act; and

(d) what action Government propose to take for speedy collection of additional tax amount, particularly when Government are in crisis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) The time and effort spent on collection of the required information will not be commensurate with the purpose.

(c) and (d) Since there are only a few cases, no maximum limit for extension of time has been laid down

Setting up of recovery Tribunals

2667. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state: ..

(a) whether Government propose to set up recovery tribunals to help recover bad debts of the nationalised banks;

(b) if so, the total amount, as on 31st Jan, 1994 with each of the nationalised banks lying as bad doubts;

(c) whether Government propose to bring changes in the functioning of nationalised banks to avoid further bad debts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Yes, Sir.

(b) Informotion is being collected and will be laid on the table of the House.

(c) and (d) The Public Sector Banks have been advised by RBI to introduce a comprehensive and uniform grading system to indicate the health of individual advances for the purpose of their effective monitoring and follow up and to keep a watch on the recovery of top sticky accounts. Banks have also prepared action plans to improve their working in key areas such as reduction in non-performing assets, improving profitability through effective recovery measures, concerted attention to credit apprajsal and post disbursal supervision etc.